

Grower to Grower

by JEAN D. AYLSWORTH



Are Canadian Imports a Plus for U.S. Growers?

U.S. growers in areas near the Canadian border have long been aware of the presence of their counterparts to the North. While horticultural products from Canada are not new to the U.S. marketplace, in recent years they have become increasingly more visible — even in places several hundred miles from the border. And, with the exchange rate favoring the Canadians, the impact is becoming significant.

Alvi Voigt, agricultural economist at Pennsylvania State University, says, however, that the effects may be more positive than negative for U.S. growers.

He points out, for example, that the availability of lower-priced Canadian products may open up new opportunities for smaller retail operations in the U.S. Since they have the alternative of buying some products at a reasonable price, it gives them the space and time to concentrate on other crops and emphasize their strong points.

At the same time, Voigt doesn't think most larger U.S. wholesale growers will be hurt by the influx of Canadian products.

"Most of them are pretty smart and have done their homework," he says. "They are taking care of their customers and have built up a kind of loyalty. I don't think the Canadians can do that as well."

Voigt says some wholesale growers may want to take advantage of the situation and buy prefinished items from the Canadians to expand their production capabilities.

"The sharper ones are going to sit down and figure these things out and decide what they can do differently to help their bottom line," he says.

Basically, Voigt believes the U.S. is in a state of underconsumption of floral products and he thinks the Canadian thrust into the marketplace is waking up U.S. growers to the possibilities of increasing consumer flower purchasing nationwide.

"I think the market can enlarge sufficiently so that everyone can be accommodated if people don't panic," he says. "There may be some people who take the easy way out and cut prices, but that's a poor way to do business. That should be an intermediate or last resort."

What U.S. growers should do, Voigt says, is to fine tune their own marketing skills and find out how they can use the Canadian presence to their advantage.

"They should think in terms of

Alvi Voigt, of Penn State University, says U.S. growers should take advantage of Canadian imports.



total specification marketing," he says. "That is, find out what the market is looking for and parallel their marketing and production efforts to correspond to that."

"They must take care of their customers, provide them with product at the time they want it and at the quality they want, and help their potential customers to increase their sales."

"If U.S. growers respond in this way, quite frankly, I think the Canadians will be helping us out."

PENNSYLVANIA

Don Laysar, of Laysar's Flowers, Myerstown, agrees with Voigt. He says the efforts of the Canadians to expand into the U.S. market have prompted some U.S. growers to either polish up their own business skills or change their focus.

"Chrysanthemum growers have noticed the biggest effect from the Canadian imports," he says, "and some of the smaller mum growers have given up. They figure they need \$4.50-\$4.75 a pot and the Canadians are coming through with some at \$2.75-\$3.50 that are decent quality. So there's been some washout. But by the same token, those who have stayed in the mum business — and I'm one of them — have found we can't keep up with the demand."

"The same is true with poinsettias. If you have good poinsettias, you'll sell them in your market and there will be no problem from the Canadians."

Like Voigt, Laysar believes the availability of Canadian products will help to increase overall consumption of floral products in the

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U.S. He says the situation is similar to what happened when grocery stores and discount stores started to sell plants and flowers.

"The florists thought they were the only ones who should handle these products, but now that others are selling them, the flower shops are actually selling more," he says.

NEW YORK

Ralph Genrich III, of Genrich's Garden Center and Florist, Rochester, says that because of the competitiveness and good quality of Canadian products, he often buys prefabricated items to expand his own production options.

"They produce a top quality, durable product," he says. "And they have it when you want it. They never seem to run out.

"At Thanksgiving we buy prefabricated chrysanthemums. And we buy cut flowers from Canada all year."

Genrich says the Canadian cuts come in unboxed — a real plus because blooms are not crushed.

"They are delivered in buckets of water," he explains, "so the freshness can't be beat. We do quite a business with them."

WASHINGTON

Teri Visaya, of Ono Greenhouse, Des Moines, is a wholesale grower who also manages a retail operation, so at times she finds herself on both sides of the fence when it comes to dealing with Canadian imports.

"At the wholesale level we have to compete with their lower prices,"

she says, "but as a purchaser for retail, I wonder sometimes if I should give in to the whim of buying Canadian because the price is right, or should I stick with what's grown in Washington?"

On the wholesale level, Visaya says the greatest competition from the Canadians is on poinsettias, roses, and Easter lilies.

"It's hard to maintain any kind of profit margin," she says. "A lot of the product that comes across the border is good and the price is good. That's what sometimes makes me so irate. How can you contend with a good product that has a reasonable price and still stay in the game of growing something for a profit instead of growing it for break even?"

On the other hand, as a buyer for retail sales, Visaya sometimes buys Canadian products — especially cyclamen — either because of the price or because it's available ahead of the locally grown material.

"Since cyclamen are good retail sales items, I start pulling them in as soon as possible," she explains. "I prefer the local cyclamen because I feel that those from Canada are forced a little faster and come out a little softer. Locally, they are grown cooler and are a little hardier. I switch over to them as soon as they are available."

Even though Des Moines is a 2½-hour drive from the Canadian border, Visaya says all the wholesale houses handle Canadian floral products so they are sold at retail outlets throughout her area.

She says the Canadians have sev-

Bruce Bordine believes in free trade and mutual cooperation.



eral advantages including their auction system, the value of the U.S. dollar, and the fact that they don't have to pay duty at the border for crops grown in peat.

"Some of it is very good and some is not so good," she says of the Canadian quality. "But consumers aren't really going to know the difference between the growth habit of a Canadian plant and that of a local plant. They are more likely to go for the price."

MICHIGAN

Bruce Bordine, of Bordine's Better Blooms, Rochester, says he's in favor of continuing Canadian imports while increasing U.S. exports as well.

"We have a mutual admiration society between the U.S. and Canada," he says. "There are some super people in Canada. What we need to do now is get the dollars back on a par value. Right now there is a very definite advantage for the Canadians exporting to the U.S."

Bordine, whose retail growing operation is just 25 minutes from the border, says that while it's an advantage to him to be able to buy lower priced Canadian products, it's a disadvantage for the U.S. wholesale grower.

"We have to get the Canadian dollar worth the same as the U.S. dollar," he says. "We need to find out who the people are who control the difference in exchange rates and see if we can put some pressure to get the values back on a 1 for 1 par. This would put trade back on a quality for quality basis rather than giving the Canadians a price advantage."

Bordine says, however, that he is opposed to any tariffs between the two countries and is concerned about the recent action by the U.S. Department of Commerce that will levy temporary import duties on cut flowers from Canada.

"It's my opinion that Canada should be excluded from that," he says. "We should have mutual free trade. I believe that the North American continent has to work together maybe against some other countries, such as those in South America, where they have super cheap labor and they don't worry about their disease and insect control. Let's work in cooperation with Canada and Mexico and keep us all on a viable economic base." **GG**

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